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SOY  
PROTEINS:  
SOARING  
MARKETS



## SOY PROTEINS . . . SOARING MARKETS

Soy proteins have come of age in the United States—so much so, in fact, that given certain assumptions they could replace as many as 8 percent of the animals we'd otherwise need to meet our red meat needs by 1980.

(Note, however, that even with such replacement, we'll still have to have about 10 percent more red meat than at present to supply our 1980 requirements.)

Soybean proteins are penetrating the meat market in two ways:

- As analogs which resemble specific meats in color, taste, and texture; and

- As substitutes for meat in processed items (patties, chili, casserole-type dishes, et cetera).

Analogues are already on the market in a number of forms, including bacon-like bits and slices, ham, beef, seafoods, and chicken. However, with the exception of the bacon, most analogues have had only limited distribution and can claim but a miniscule share of the red meat market. Their share is expected to remain relatively small even by 1980.

It's the meat-type extenders that have the greatest growth potential this decade. Researchers in the Economic

Research Service figure that by 1980 these products could, under certain conditions, displace 10 to 20 percent of the meat in meat-type food preparations in both the institutional as well as the retail food market.

A look at costs tell why.

Soy flour and grits are the simplest forms of soy proteins currently being made. Their crude protein content ranges from 40 to 55 percent and the price per pound of net utilizable proteins runs from 5½ to 11½ cents.

Soy concentrates, made by further processing the meal, are 60 to 70 percent crude protein. Their prices are a bit higher than the grits and flour because of the extra processing and the lower yields of finished product. The range is anywhere from 18 to 25 cents a pound.

Soy isolates (even more highly processed and containing 90 to 97 percent crude protein) have prices in the 35-to-40-cent range while textured soy proteins that are extruded and spun to look like real meats cost upwards of 50 cents per pound of net utilizable protein.

Compare those soy protein costs with the ones for a few other foods and you'll easily see why institutional feeders such as schools and hospitals are using them more frequently.

<i>Protein source</i>	<i>Dollar cost per pound of net usable protein</i>
Beef -----	\$3.26
Chicken -----	2.47
Fish -----	3.07
Whey (dry) -----	.84
Milk -----	2.34
Skim milk (dry) -----	.79
Eggs -----	2.09
Dry beans -----	.65
Wheat -----	.41
Cottonseed flour -----	.58
Rice -----	1.71

Add to these cost advantages the functional pluses of soy proteins—water and fat retention, improvement in keeping quality, and browning effects—and soy proteins appear to have a bright future.

Restaurants, too, may well step up their use of soy protein extenders if animal proteins continue to get more expensive.

Food served in restaurants is not subject to the same labeling and identification requirements as food sold directly to consumers—which means the away-from-home eating market is more susceptible to penetration by substitutes. And it's quite a market—

worth \$35 billion in 1969 and growing rapidly.

If standards of identity and labeling are modified over time, soy extenders may also find their way into more products sold at retail—especially ground meat items like sausage, hamburger, luncheon meat, and hot dogs as well as certain types of frozen dinners and canned products.

The lower cost of vegetable proteins—added to consumer concern over the use of animal fats in the diet—has already helped win consumers over to the concept of soy products much faster than food experts dreamed possible.

Soy analogs, of course, still face considerable resistance. While they're approaching the flavor and texture of the meats they imitate and are priced comparably with natural meat on a cooked basis, on an uncooked basis in the store they seem high-priced to consumers.

In addition, the high prestige of steaks, roasts, and other meat cuts makes it difficult for substitutes to gain acceptance.

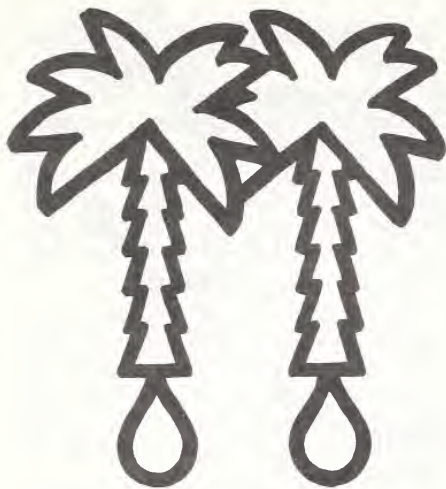
## PROJECTED SOY PROTEIN USE IN PROCESSED MEATS BY 1980

Type of livestock	Meat replaced	Head replaced	Share of projected 1980 production
	Million pounds	Thousand	Percent
Cattle and calves:			
Low level <sup>1</sup>	1,166	1,943	4.0
High level <sup>2</sup>	2,471	4,118	8.5
Hogs:			
Low level <sup>1</sup>	602	3,984	4.0
High level <sup>2</sup>	1,275	8,444	8.4
Sheep and lambs:			
Low level <sup>1</sup>	18	357	4.0
High level <sup>2</sup>	38	757	8.5

<sup>1</sup> Assumes 10 percent of meat required for processed meat items is replaced by soy proteins.

<sup>2</sup> Assumes 20 percent of meat required for processed meat items is replaced by soy proteins.





## PALM OIL COMPETES

If it seems like everything's coming up roses for soybeans—don't be fooled. The crop faces some pretty thorny competitors at home and abroad. And one of the foreigners, palm oil, is becoming a serious rival of soybean oil in U.S. markets.

U.S. supplies of imported palm oil have quadrupled over the past 5 years as the oil's low price has induced U.S. manufacturers to substitute it for soybean and cottonseed and other domestically produced edible oils.

Our palm oil imports, which enter duty-free, totaled close to 230 million pounds in 1971 and 1972's are expected to add up to 350 million.

Bulk of the use last year was in edible products—especially shortening. The amount of palm oil going into shortening has climbed steadily of late—from 61 million pounds in 1967 to 140 million last year. Small amounts, some 19 million pounds in 1971, also went into margarine and other edible products.

Inedible uses of palm oil account for only about a third of our total imports—but inedible use has risen from 24 million to 71 million pounds in 1967–71.

There are no census data available on specific end uses such as soaps, fatty acids, et cetera. However, palm oil was

once a big ingredient in soap manufacture back in the 1930's. Any shift from phosphate detergents to fat-based soap compounds likely will increase the demand for inedible grade oil.

To get back to price, though—which is the reason for palm oil's success in U.S. markets . . .

Since 1967, palm oil has sold in the range of 6½ cents to 10 cents a pound (f.o.b. producing countries). Even after adding ocean transport costs, these price levels have been well under those for domestically produced oils.

Palm oil prices are expected to stay competitive in the future, too—as world production is projected to double while export availabilities triple during 1970–80.

Higher yielding varieties plus a real boom in plantings in recent years have already upped world palm oil output from 1.3 million metric tons in 1967 to a forecast 2.3 million tons this year. By 1980 world output could easily be as high as 3.7 million tons while exportable supplies might swell to 2.0 million.

Palm oil is expected to account for nearly 7 percent of global oil production in 1980, compared with 4 percent in 1970. Malaysia is and will continue as the world's largest producer, followed by Indonesia.

The United States is also an importer of palm kernel oil—which comes from the same oil palm but is extracted from the hard inner kernel of the nut while palm oil comes from the outer fleshy pulp of the fruit.

Prospects for U.S. imports of palm kernel oil are not as spectacular as those for palm oil. Our imports and use have remained relatively stable over the past 5 years, averaging about 100 million pounds annually.

Edible uses of palm kernel oil are mainly in the manufacture of confectioneries, biscuits, crackers, and other baking goods, popcorn, and other specialty products. The inedible grade of palm kernel oil goes chiefly into fatty acids and quick-lathering soaps.

The price of imported palm kernel oil is usually significantly higher than domestic edible oils.



## SPOTLIGHT ON INDIANA

"Although we are the smallest State west of the Appalachian Highlands (except for Hawaii), Indiana is still an agricultural giant," Earl L. Park, statistician in charge of SRS's Crop and Livestock Reporting Service, told us recently from his West Lafayette office.

"Last year we ranked third in corn, soybean, and hog production," Park added to prove his point.

The Hoosier State is both an agricultural and highly industrialized State with the world's greatest concentration of heavy industry. Steel, cement, and oil refining plants cover much of the Calumet region which is located in northwestern Indiana.

Hoosier farmers' major source of agricultural income is hogs which accounted for \$347 million in 1971. Corn ranked second with \$346 million, or more than one-fifth of the total, followed by soybeans with \$318 million, or 20 percent of the cash receipts. Last year, Indiana had cash receipts from farm marketings totaling \$1.6 billion.

Indiana farmers sold \$331.6 million of their products in foreign markets in fiscal 1970-71. "That means \$1 out of every \$5 received for farm marketings came from export sales," Park pointed out.

The State has ready access to international markets northward through

Porkers are Indiana's biggest agricultural moneymaker, bringing farmers about \$347 million in 1971. Latest count shows some 4.8 million hogs on Hoosier farms, putting the State right behind Iowa and Illinois in the numerical rankings. A big reason for farmers' interest in hog production is Indiana's huge corn crop—totaling up to 534 million bushels last year and worth \$346 million.



Lake Michigan and the St. Lawrence Seaway to the Atlantic, and southward via the Ohio and Mississippi Rivers to the Gulf of Mexico.

Livestock and livestock products usually account for more than 50 percent of the cash receipts in Indiana. Last year, livestock producers earned \$819 million for their efforts. Cattle and calves made up the biggest part next to hogs—\$209 million.

Although dairying provided \$140 million in cash receipts in 1971, the industry has declined rather steadily since 20 years ago.

The number of milk cows on hand January 1, 1972 was only 237,000, compared with the 636,000 of 20 years ago.

However, during that time, milk production per cow has nearly doubled—from 5,450 pounds to 10,466 pounds.

Poultry is another plus for Indiana farmers' income. Poultry and poultry product sales totaled \$115 million in 1971 with eggs alone accounting for \$79 million. Egg output last year was close to 3.1 billion.

The climate must agree with Indiana crops. Indiana's average soy-

bean yield of 33.5 bushels per acre topped all other States in the Nation in 1971. And only three States out-ranked Indiana in its corn yield of 97 bushels per acre.

The bumper yields are a big reason why Indiana stands so high in the Nation's production rankings—with 113 million bushels of soybeans or 10 percent of the U.S. crop in 1971, and 534 million bushels of corn, also about a tenth of U.S. output.

However, the farming wizardry doesn't stop with just corn and soybeans. The State ranked second in the yield per acre for oats and tobacco.

Rounding out Hoosier agriculture are a few speciality crops. Indiana vies with Iowa for leadership in popcorn and is third in the Nation as a grower of processing tomatoes. Some watermelons and cantaloups are also raised in the southwestern part of the State.

Indiana grew 16 percent of the Nation's spearmint production last year. The oil provided farmers with \$1.3 million worth of income. Indiana is also a peppermint oil producer. Both of these crops are grown in the northern third of the State.



**Soybeans and more soybeans.** Farmers in the Hoosier State surely know how to grow the wonder crop. Besides being the Nation's third largest producer, Indiana stands first in soybean yields with a 33.5-bushel-an-acre average during 1971. At 20 percent of total Hoosier farm cash receipts, soybeans brought in \$318 million during 1971.



## THE FIGHT AGAINST BRUCELLOSIS

Brucellosis of cattle and swine is a disease that's down but not out in the United States—despite a nearly 40-year bout to overcome it.

Hopefully, though, we'll be able to throw the knockout punch sometime between now and the close of 1975 as a result of stepped up effort in the eradication campaign by USDA and the National Association of State Departments of Agriculture.

The brucellosis campaign, begun in 1934, is one of the largest animal disease eradication programs ever undertaken in the United States. The disease costs cattle and pork producers millions each year in decreased productivity due to abortions, poor gains, and longer feeding periods.

Worse yet, brucellosis can attack people. Last year there were 177 reported cases of "undulant fever," as the disease is called in humans. While this was well below the 3,139 cases reported in 1951, it is, in the opinion of USDA and public health officials, 177 cases too many. Most of the human cases can be traced to swine.

Swine are now the main carriers of brucellosis because the Market Cattle Identification (MCI) program and the Milk Ring Test have pushed it near extinction among beef and dairy cattle.

In the MCI program each animal going to market is tagged. Then when the animal is killed a blood sample is taken and tested for disease. If brucellosis should appear, the animal can be traced back to its herd and the source of infection located.

Under MCI over 6 million cattle were screened for brucellosis last year. However, that's only about half the beef cows and bulls that should be identified and blood tested—so USDA plans to intensify this effort during the next 3 years.

The brucellosis Milk Ring Test covers about 10 million cows annually. Herds are screened three or four times

each year. Suspicious findings on a herd result in individual blood tests of all cows. Consequently, over 99 percent of our dairy herds are free of brucellosis.

Federal indemnity payments for infected cattle can be paid in States that approve. These go up to \$50 for grade cattle and \$100 for registered purebreds. Most States also provide for additional State indemnity payments.

To prevent the spread of brucellosis to new herds, the eradication program was recently changed to require that cattle from herds or counties not certified as brucellosis-free be tested and found free of the disease before moving in interstate or intrastate commerce. Exceptions will be made only for animals going directly to slaughter or to quarantined feedlots for fattening prior to slaughter.

A big push is also on to eradicate brucellosis among swine—which will also eliminate the last source of human infection.

In 1960, around 2 percent of the swine tested had the disease. By 1969, that figure was down to 0.72 percent. However, even these low totals cost the swine industry over \$2 million a year.

Since the signs of brucellosis—failure to settle, abortions, weak pigs, lameness, stiffness of joints, and sterility—vary from animal to animal, they are not a reliable guide to disease presence.

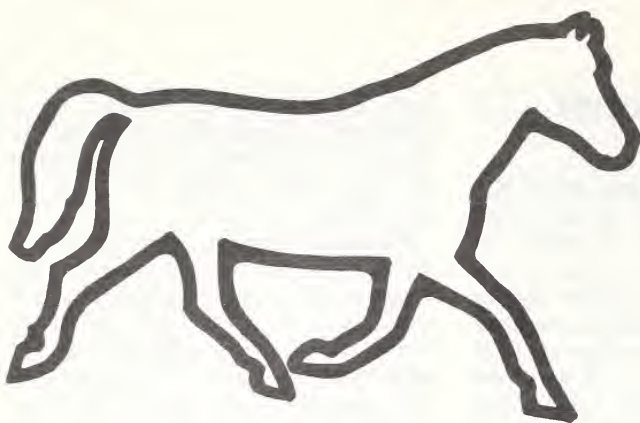
Consequently, USDA urges pork producers to have all breeding animals blood tested on an annual basis. Also, farmers in States that have a Market Swine Testing program should have sows and boars sampled at slaughter.

The following precautions will help prevent infections:

*Validate your herd.* A herd is validated when all animals over 6 months are negative to a blood test.

*Revalidate your herd* every year.

*Breeding stock* should be purchased from brucellosis-free herds. Also, don't let a strange pig near your herd. It could be costly, and it could help spread disease.



## ON ACCOUNT OF VEE

Until last year, front-page headlines for horses were usually reserved for Derby Day and other such sporting events.

However, the 1971 epidemic of Venezuelan Equine Encephalomyelitis (VEE) was front page news in many parts of the country.

A fatal disease among horses, donkeys, and mules, VEE can strike humans as well. Since it was imperative to halt VEE's spread, USDA began a campaign of inoculation of equines.

It was as part of this program that the first unofficial USDA estimate of equines was made since SRS discontinued its count in 1960. (SRS offices in several States—among them Alaska, Georgia, New Jersey, North Carolina, Pennsylvania, and Mississippi—have conducted at least one statewide equine or horse survey since 1960.)

The estimates were gathered by Extension Service personnel based on judgments made on short notice to meet an emergency situation to provide a basis for estimating vaccine needs for the VEE program.

The Extension Service estimate puts the U.S. total of horses, mules, and donkeys at 5.9 million. The current data are *rough* estimates and are not official SRS counts. They are considerably under trade estimates that put the national total somewhere between 7 and 9 million. SRS estimated 3 million equines on farms in 1960.

## HOW MANY EQUINES? <sup>1</sup>

State	Estimate
Alabama	127,453
Alaska	3,000
Arizona	113,410
Arkansas	128,000
California	604,000
Colorado	85,908
Connecticut	35,000
Delaware	5,560
District of Columbia	<sup>2</sup> 106
Florida	144,951
Georgia	144,000
Hawaii	4,092
Idaho	75,000
Illinois	72,500
Indiana	80,419
Iowa	120,000
Kansas	150,000
Kentucky	150,000
Louisiana	140,482
Maine	28,000
Maryland	61,002
Massachusetts	23,071
Michigan	169,430
Minnesota	157,000
Mississippi	200,000
Missouri	167,154
Montana	114,796
Nebraska	77,740

<sup>1</sup> These estimates were made by the Extension staff of the Venezuelan Equine Encephalomyelitis program. They were made to meet an emergency situation. They represent rough data on the equine population.

<sup>2</sup> Actual number vaccinated.

State	Estimate
Nevada	48,598
New Hampshire	20,000
New Jersey	30,000
New Mexico	82,560
New York	76,790
North Carolina	140,000
North Dakota	36,038
Ohio	205,000
Oklahoma	226,738
Oregon	125,000
Pennsylvania	85,000
Puerto Rico	16,911
Rhode Island	3,100
South Carolina	70,000
South Dakota	84,546
Tennessee	250,000
Texas	624,778
Utah	95,000
Vermont	11,515
Virginia	115,000
Washington	124,457
West Virginia	38,800
Wisconsin	108,294
Wyoming	67,670
Total.....	5,867,869

provide a basis for estimating vaccine needs for  
were based on judgments made on short notice  
imates and should not be construed as official

## FROZEN CORRALS

Alaska's first census of equines shows the Land of the Midnight Sun has about 3,000 horses, ponies, donkeys, and mules.

Most are kept for pleasure riding, show purposes, as pack animals, or breeding stock.

SRS's Crop and Livestock Reporting Service in Palmer collected the equine data by mail survey at the request and with the cooperation of the State Division of Agriculture, the Cooperative Extension Service, and Institute of Agricultural Sciences.

While the equine population is distributed through much of the State, more than half is kept by farmers and fanciers in the warm southerly Matanuska region which includes Alaska's largest city, Anchorage.

Slightly more than half of the State's equines were of mixed or unknown breeds (all donkeys, mules, and burrows were included in this group).

Nevertheless, in cases where breeds could be determined, the quarterhorse was the State favorite with the Appaloosa and the Morgan distant runners-up.

Most of Alaska's equines were held on the owners' farms. However, slightly more than a fourth of the State's equines were boarded on neighboring farms, at nonfarm rural residences, or public stables.

More than three-fourths of the owners reported purchasing feed rather than raising their own hay or forage for the animals.



## A LOOK AT LABOR

Even though labor used on U.S. farms has dropped nearly 60 percent in the past two decades, knowledge of the number of people working on our farms and the wages paid is critical in gaging the overall supply of farm labor and the size of the labor bill relative to other production costs.

That's why SRS places considerable stress on its agricultural labor surveys in January, April, July, and October. The survey this month is one of the year's most important—coming as it does in the peak work season.

The data farm employers provide on the number of workers they hire also give an important clue to the productivity and profitability of agriculture.

The survey is based on probability sampling, which means each farm has a statistical chance to be included. This July around 4,000 farm operators will be interviewed—with large employers (those that hire 5-plus people) being contacted personally and others by mail.

A farmer can use the results of the survey to check on how he stands as an employer when it comes to wages.

In addition, labor data are essential in computing SRS' index of the prices farmers pay to do business, part of the parity concept. All measures of farmers' purchasing power and relative well-being in the Nation's economy rest on knowing how much farmers spend on various production inputs.

The survey also reveals trends in the size and structure of the farm labor force: for example, the impact of minimum wage laws on hiring in various parts of the country, or the relative importance of family versus hired workers in agriculture.

A good definition of who is included in the farm labor group is needed by SRS to insure an accurate estimate of the number of farmworkers. Here are some of the guidelines used in judging who belongs to the agricultural labor force:

- All labor connected with land preparation, cultivation, treatment, and planting, harvesting, and storing.

- Work associated with raising, feeding, and managing livestock and poultry.

- Hauling farm products to point of first delivery if done by a farm employee.

- Any packing or preparing of farm products that does not change the form of the product.

All of these plus farm management and maintenance are included in the farm labor category.

SRS often digs deeper in its labor survey than just for numbers of people employed and wages, board, and room.

In a recent survey, at the request of the Department of Labor, a question focused on unfilled jobs in an attempt to have sufficient information that might some day help to balance jobs with workers.

The April Survey asked farmers if they had enough information to properly comply with the Occupational Health and Safety Act of 1970.



## SEASONAL LABOR: HIRING PRACTICES

Most farmers don't fancy hiring seasonal workers through labor contractors, according to studies made by the Economic Research Service (ERS).

Two out of three U.S. farmers who employ seasonal labor do their own hiring, supervising, and paying in the belief it gives them better control over worker productivity.

However, many farmers acquire hired help by both methods as shown by the fact that over half the farmers also make use of custom and contract labor services.

Contracting appeals chiefly to farmers who wish to be spared paperwork, recruiting, supervising, and handling payrolls. It also comes into prominence when local labor isn't available or when the seasonal workers don't speak English well.

Hiring tactics vary considerably by type of farm. For some—such as those growing small grain crops and needing harvest labor only a few days a year—contracting is the hands-down favorite.

Operators of such farms arrange for custom harvesting—or planting, or cultivating, or hauling, et cetera—and they let the custom machine specialist worry about supplying the workers.

However, on other types of farms—such as dairy operations where seasonal labor might be needed for 6 to 8 weeks of forage harvesting—operators generally try to hire workers themselves.

Tobacco farms, because of their small size and sharply peaking labor needs, rely on seasonal labor more heavily than other farm types. "Other field crop" farms are heavily dependent on seasonal labor, too. However, on the basis of sheer numbers of man-hours put in by seasonal workers per farm, vegetable and fruit and nut operations outrank other farm types.

The tobacco, vegetable, fruit, and nut, and "other field crop" farms use direct hiring almost twice as much as they do contracting. In contrast, cash grain and livestock farmers—who are

the least likely to use seasonal labor—are the most likely to use contracting.

How big a farm is also seems to have a bearing on hiring preferences. For example, large vegetable farms—those with gross annual sales of \$40,000 or over—use contracting more than farms with sales of less than \$5,000. The same is true for tobacco operations.

By contrast, the proportion of cash grain and livestock farms using contract hiring drops as sales gain.

Some rather intricate patterns of seasonal labor peaks are revealed by the ERS research.

Generally the fruit and tobacco farmers who resort to contract hiring need seasonal help earlier in the season than similar farmers who hire their help directly.

Cash grain and livestock farmers use both direct-hire and contract-hire during the same peaks—June and July.

Cotton, "other field crops," and vegetable farmers who hire directly usually have earlier seasons than similar farmers who use contract labor.

### CONTRACTORS AND CREWS

The activities of farm labor contractors are regulated by comprehensive legislation—the Federal Farm Labor Contractor Registration Act. At present there are about 3,000 registered labor contractors and 2,600 crews with from 80,000 to 100,000 workers. It's estimated that each crew averages 30 to 40 people.

Two major supply areas furnish most of these laborers. About 45 percent of the total are based in Florida and work along the eastern seaboard on row crops, vegetables, and fruit.

The other major supply area is Texas, from which approximately 45 percent of the contract workers migrate north to do hand labor on sugar beets, vegetables, and fruits.

# outlook

Digested from outlook reports of the Economic Research Service.  
Forecasts based on information available through June 1, 1972

**RED MEAT REVIEW . . .** Output of red meat this spring and summer will run close to a year earlier. Larger beef production should be offset by sharply reduced pork output and smaller supplies of veal and lamb. Fed cattle prices may weaken in coming months but farmers can look for hog prices to climb seasonally to a summer high substantially above last summer's \$20-level.

●

**FED CATTLE MARKETINGS . . .** Cattle feeders planned a 6-percent boost in marketings this spring and shipments in the summer are likely to rise even higher and stay moderately above 1971. There were 11 percent more cattle on feed last April 1 in weight groups that usually supply the bulk of the fed cattle marketings in July–September.

●

**FED CATTLE PRICES** this summer may well drift lower than the late-April level of \$35 per 100 pounds for choice steers at Omaha. The extent of the decline will rest partly on cattle market weights which tend to gain as prices slide.

●

**HOG SLAUGHTER** during the rest of 1972 probably will be moderately under a year earlier. On March 1 there were 6 percent fewer market hogs on Corn Belt farms . . . these are the hogs that will be going to slaughter in late spring and summer. And farmers said they were cutting March–May farrowings by 7 percent, which would reduce supplies in the fall.

●

**A LONGER LOOK AHEAD . . .** Higher average hog prices in 1972, coupled with lower corn prices than in 1971, may tempt producers to up output. But don't look for much expansion before early 1973 because Corn Belt producers plan a 7-percent reduction in the number of sows farrowing during June–August.

**DAIRY DETAILS . . .** Increased farm marketings and a small price rise should lift farmers' dairy cash receipts in 1972 to some \$7 billion, up from \$6.8 billion last year.



**MILK SALES . . .** Favorable milk-feed price relationships are encouraging liberal feeding of cows, helping boost output per animal. Farmers are likely to market upward of 1 percent more milk this year, following similar small gains in the past 2 years.



**WOOL GATHERING . . .** Significant improvement in prices has highlighted the U.S. and overseas wool markets in the last few months, marking a recovery from unusually low 1971 levels. Wool output is dropping at home and the world clip is down, too—while overall demand has been gaining. Still today's U.S. prices of raw wool are low relative to the last three decades.



**WOOL PRICE RISE . . .** Domestic prices in 1972 should average well above 1971's unusually low level of 19.4 cents—with much of the gain coming from better prices for wools grading 60's and finer. Also, the traditional price differences between fine and medium domestic wools are being restored—after having essentially vanished when the bottom fell out of the U.S. market in 1971.



**BROILER BOOM . . .** Lower feed prices and better broiler earnings in early 1972 encouraged producers to up chick placements sharply. In 22 important States placements during February–March were more than 8 percent over the same 1971 weeks. The margin is narrowing, though, and broiler supplies in the late spring may only be around 5 percent over a year earlier.



**PRICE PROSPECTS . . .** Broiler prices, above year-earlier levels through March, fell sharply in April. Continued large expansion will likely limit the usual seasonal price increase this summer. However, if output is cut back to near year-earlier levels during summer and fall, second half prices could perk up again and average moderately above the same 1971 period.



**MARKETING GUIDE . . .** The latest USDA Broiler Marketing Guide suggests that fourth quarter broiler output be held to the same as the fourth quarter of 1971. This would likely result in wholesale prices, nine-city average, moderately above the 25 cents a pound of October–November last year.

**EGG ITEMS . . .** After running 2 to 3 percent ahead of 1971 in early 1972, output should dip below last year this summer and fall . . . possibly giving prices a boost. The first 5 months of 1972 saw egg prices trailing last year as output was large while demand was weak.

**NEWCASTLE NEWS . . .** Southern California is bringing under control the most serious outbreak of exotic Newcastle disease ever to hit the United States. To control this dread disease, more than 3 million poultry—primarily from egg-laying flocks—had been destroyed by early May. May 8 also marked the completion of the first phase of a massive vaccination program of 25 million chickens and turkeys to establish a disease barrier.

**ECONOMIC IMPACT . . .** Exotic Newcastle disease is not something the poultry industry can learn to live with. In laying flocks the disease kills between 10 to 20 percent of the birds. It has not struck the Nation's broiler industry so far but if it should, the results would be devastating. Young broilers never reach an age at which they can be effectively protected against the disease with the vaccines used on layers.

## STATISTICAL BAROMETER

Item	1970	1971	1972—latest data available	
Prices received by farmers (1967=100)	110	112	123	May
Prices paid, interest, taxes, wage rates (1967=100)	114	120	125	May
Ratio (1967=100) <sup>1</sup>	96	93	98	May
Consumer price index:				
All items (1967=100)	116	121	124	April
Food (1967=100)	115	118	122	April
Disposable personal income (\$ bil.)	687.8	741.3	765.7	( <sup>3</sup> )
Expenditures for food (\$ bil.)	114.0	118.3	121.0	( <sup>3</sup> )
Share of income spent for food (percent)	16.6	16.0	15.8	( <sup>3</sup> )
Farm food market basket: <sup>2</sup>				
Retail cost (\$)	1,223	1,244	1,283	April
Farm value (\$)	476	477	498	April
Farmer's share of retail cost (percent)	39	38	39	April
Agricultural exports (\$ bil.)	7.3	7.7	0.6	April
Agricultural imports (\$ bil.)	5.8	5.8	0.5	April
Realized gross farm income (\$ bil.)	56.6	58.6	62.3	( <sup>3</sup> )
Production expenses (\$ bil.)	40.9	42.9	44.0	( <sup>3</sup> )
Realized net farm income (\$ bil.)	15.7	15.7	18.3	( <sup>3</sup> )

<sup>1</sup> Ratio of index of prices received by farmers to index of prices paid, interest, taxes, and farm wage rates.

<sup>2</sup> Average annual quantities per family and single person household bought by wage and clerical workers 1960-61 based on Bureau of Labor Statistics figures.

<sup>3</sup> Annual rate, seasonally adjusted first quarter 1972.





## TEA TOTALS

Tea—steeped in water, cooled with ice, sweetened with sugar, soured with lemon—has increasingly caught the taste buds of Americans.

Though usually grown in different locales, black and green tea—the two main types—are dried leaves of the same plant. The difference is that black tea gets that way through fermentation.

About two-fifths of our tea, mostly black, comes from Ceylon and the rest from such countries as Kenya, Malawi, and India.

Before reaching American consumers, about 80 percent of the black leaves are broken to produce a stronger brew and intensify the flavor.

Tea drinking in the United States rose a fifth from 1960 to 1971. But the average American still drinks less than a tenth of the amount downed by an Englishman.

The British use around 8.5 pounds of tea a year while American per capita consumption is about 0.75 pound—dry basis.

The cost of a cup of tea has remained pretty stable since the beginning of the 1960's. The average price for a package of 48 tea bags was 64 cents in 1970—the same as in 1960.

Though some still like it hot, a “spot of tea” often means on the rocks. Aided by the convenience of instant tea, an estimated two-thirds of our tea is served over ice.

Virtually ignored 20 years ago, instant tea accounted for nearly 40 percent of total use in 1970. While the familiar tea bag still corners about half the market, loose tea is gradually being shoved into obscurity. Instant tea is the culprit but is also responsible for higher tea sales.

The advancing use of instant tea and the dominance of tea in bags reflect increasing demand for convenience items.

Though loose tea is cheaper than tea bags or instant tea on a cost per serving basis, loose tea takes more time to make and consequently many consumers consider it inconvenient.

The recent introduction of 12-ounce 6-packs of canned tea beverage containing sweeteners and lemon is a further adaptation of convenience.

American tea-sipping is expected to spurt ahead 10 percent per person by 1980 following a 20-percent gain in the 1970's.

And chances are instant tea will bag almost half the market by 1980.

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